

HEALTH QUARTERLY STATEMENT

AS OF June 30, 2004

OF THE CONDITION AND AFFAIRS OF THE

HealthPlus Partners, Inc.

NAIC Group Code	3409	3409	NAIC Company Code	11549	Employer's ID Number	01-0729151
	(Current Period)	(Prior Period)				
Organized under the Laws of	Michigan		State of Domicile or Port of Entry	Michigan		
Country of Domicile	United States of America					
Licensed as business type:	Life, Accident & Health[] Dental Service Corporation[] Other[]	Property/Casualty[] Vision Service Corporation[] Is HMO Federally Qualified? Yes[] No[X]	Hospital, Medical & Dental Service or Indemnity[] Health Maintenance Organization[X]			
Date Incorporated or Organized	07/08/2002		Date Commenced Business	01/01/2003		
Statutory Home Office	2050 South Linden Road		Flint, MI 48532			
	(Street and Number)		(City, or Town, State and Zip Code)			
Main Administrative Office	2050 South Linden Road					
	(Street and Number)					
	Flint, MI 48532		(800)332-9161			
	(City or Town, State and Zip Code)		(Area Code) (Telephone Number)			
Mail Address	2050 South Linden Road, P.O. Box 1700		Flint, MI 48501-1700			
	(Street and Number or P.O. Box)		(City, or Town, State and Zip Code)			
Primary Location of Books and Records	2050 South Linden Road					
	(Street and Number)					
	Flint, MI 48532		(800)332-9161			
	(City, or Town, State and Zip Code)		(Area Code) (Telephone Number)			
Internet Website Address	www.healthplus.com					
Statutory Statement Contact	Matthew Andrew Mendrygal, C.P.A.		(810)230-2179			
	(Name)		(Area Code)(Telephone Number)(Extension)			
	mmendrygal@healthplus.com		(810)230-2208			
	(E-Mail Address)		(Fax Number)			
Policyowner Relations Contact	2050 South Linden Road, P.O. Box 1700					
	(Street and Number)					
	Flint, MI 48501-1700		(800)332-9161			
	(City, or Town, State and Zip Code)		(Area Code) (Telephone Number)(Extension)			

OFFICERS

David Paul Crosby, President
Dan Ellis Champney Esq., Secretary
Matthew Andrew Mendrygal C.P.A., Treasurer

OTHERS

DIRECTORS OR TRUSTEES

Penelope Drake Pestronk
Harold Leslie Mallon DDS
Teresa Lyn King #

Christopher John Flores
Denise O. Chambers #
Elnora Dasty Coe #

State of Michigan
County of Genesee ss

The officers of this reporting entity, being duly sworn, each depose and say that they are the described officers of the said reporting entity, and that on the reporting period stated above, all of the herein described assets were the absolute property of the said reporting entity, free and clear from any liens or claims thereon, except as herein stated, and that this statement, together with related exhibits, schedules and explanations therein contained, annexed or referred to, is a full and true statement of all the assets and liabilities and of the condition and affairs of the said reporting entity as of the reporting period stated above, and of its income and deductions therefrom for the period ended, and have been completed in accordance with the NAIC Annual Statement Instructions and Accounting Practices and Procedures manuals except to the extent that: (1) state law may differ; or, (2) that state rules or regulations require differences in reporting not related to accounting practices and procedures, according to the best of their information, knowledge and belief, respectively. Furthermore, the scope of this attestation by the described officers also includes the related corresponding electronic filing with the NAIC, when required, that is an exact copy (except for formatting differences due to electronic filing) of the enclosed statement. The electronic filing may be requested by various regulators in lieu of or in addition to the enclosed statement.

(Signature)	(Signature)	(Signature)
David Paul Crosby	Matthew Andrew Mendrygal	Dan Ellis Champney
(Printed Name)	(Printed Name)	(Printed Name)
President	Treasurer	Secretary
(Title)	(Title)	(Title)
Subscribed and sworn to before me this	a. Is this an original filing?	Yes[X] No[]
day of , 2004	b. If no,	
	1. State the amendment number	
	2. Date filed	
	3. Number of pages attached	
(Notary Public Signature)		

ASSETS

		Current Statement Date			4
		1	2	3	December 31, Prior Year Net Admitted Assets
		Assets	Nonadmitted Assets	Net Admitted Assets (Cols. 1 - 2)	
1.	Bonds				
2.	Stocks:				
2.1	Preferred stocks				
2.2	Common stocks	5,061,037		5,061,037	4,974,626
3.	Mortgage loans on real estate:				
3.1	First liens				
3.2	Other than first liens				
4.	Real estate:				
4.1	Properties occupied by the company (less \$..... encumbrances)				
4.2	Properties held for the production of income (less \$..... encumbrances)				
4.3	Properties held for sale (less \$..... encumbrances)				
5.	Cash (\$.....(1,539,517)), cash equivalents (\$.....) and short-term investments \$.....7,015,899)	5,476,382		5,476,382	6,522,535
6.	Contract loans (including \$..... premium notes)				
7.	Other invested assets	(284,004)		(284,004)	37,140
8.	Receivable for securities				
9.	Aggregate write-ins for invested assets				
10.	Subtotals, cash and invested assets (Lines 1 to 9)	10,253,415		10,253,415	11,534,301
11.	Investment income due and accrued	26,493		26,493	25,369
12.	Premiums and considerations:				
12.1	Uncollected premiums and agents' balances in the course of collection	657,536		657,536	499,571
12.2	Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$..... earned but unbilled premiums)				
12.3	Accrued retrospective premiums				
13.	Reinsurance:				
13.1	Amounts recoverable from reinsurers				
13.2	Funds held by or deposited with reinsured companies				
13.3	Other amounts receivable under reinsurance contracts				
14.	Amounts receivable relating to uninsured plans				
15.1	Current federal and foreign income tax recoverable and interest thereon ...				
15.2	Net deferred tax asset				
16.	Guaranty funds receivable or on deposit				
17.	Electronic data processing equipment and software				
18.	Furniture and equipment, including health care delivery assets (\$.....)				
19.	Net adjustments in assets and liabilities due to foreign exchange rates				
20.	Receivables from parent, subsidiaries and affiliates	401,358		401,358	62,454
21.	Health care (\$.....924,240) and other amounts receivable	1,599,901		1,599,901	1,047,595
22.	Other assets nonadmitted				
23.	Aggregate write-ins for other than invested assets				
24.	Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 10 to 23)	12,938,703		12,938,703	13,169,290
25.	From Separate Accounts, Segregated Accounts and Protected Cell Accounts				
26.	TOTALS (Lines 24 and 25)	12,938,703		12,938,703	13,169,290
DETAILS OF WRITE-INS					
0901				
0902				
0903				
0998.	Summary of remaining write-ins for Line 9 from overflow page				
0999.	TOTALS (Lines 0901 through 0903 plus 0998) (Line 9 above)				
2301				
2302				
2303				
2398.	Summary of remaining write-ins for Line 23 from overflow page				
2399.	TOTALS (Lines 2301 through 2303 plus 2398) (Line 23 above)				

LIABILITIES, CAPITAL AND SURPLUS

		Current Period			Prior Year
		1 Covered	2 Uncovered	3 Total	4 Total
1.	Claims unpaid (less \$..... reinsurance ceded)	3,043,951		3,043,951	3,567,590
2.	Accrued medical incentive pool and bonus amounts	532,816		532,816	552,511
3.	Unpaid claims adjustment expenses	33,494		33,494	43,998
4.	Aggregate health policy reserves				
5.	Aggregate life policy reserves				
6.	Property/casualty unearned premium reserve				
7.	Aggregate health claim reserves				
8.	Premiums received in advance				
9.	General expenses due or accrued				
10.1	Current federal and foreign income tax payable and interest thereon (including \$..... on realized gains (losses))				
10.2	Net deferred tax liability				
11.	Ceded reinsurance premiums payable				
12.	Amounts withheld or retained for the account of others				
13.	Remittances and items not allocated				
14.	Borrowed money (including \$..... current) and interest thereon \$..... (including \$..... current)				
15.	Amounts due to parent, subsidiaries and affiliates	1,291,394		1,291,394	1,178,878
16.	Payable for securities				
17.	Funds held under reinsurance treaties with (\$..... authorized reinsurers and \$..... unauthorized reinsurers)				
18.	Reinsurance in unauthorized companies				
19.	Net adjustments in assets and liabilities due to foreign exchange rates				
20.	Liability for amounts held under uninsured accident and health plans				
21.	Aggregate write-ins for other liabilities (including \$..... current)	1,130,808		1,130,808	1,045,059
22.	Total liabilities (Lines 1 to 21)	6,032,463		6,032,463	6,388,036
23.	Common capital stock	X X X	X X X		
24.	Preferred capital stock	X X X	X X X		
25.	Gross paid in and contributed surplus	X X X	X X X	9,271,167	8,271,167
26.	Surplus notes	X X X	X X X		
27.	Aggregate write-ins for other than special surplus funds	X X X	X X X		
28.	Unassigned funds (surplus)	X X X	X X X	(2,364,927)	(1,489,913)
29.	Less treasury stock, at cost:				
	29.1 shares common (value included in Line 23 \$.....)	X X X	X X X		
	29.2 shares preferred (value included in Line 24 \$.....)	X X X	X X X		
30.	Total capital and surplus (Lines 23 to 28 minus Line 29)	X X X	X X X	6,906,240	6,781,254
31.	Total liabilities, capital and surplus (Lines 22 and 30)	X X X	X X X	12,938,703	13,169,290
DETAILS OF WRITE-INS					
2101.	Quality Assurance Assessment Program tax liability	1,130,808		1,130,808	1,045,059
2102				
2103				
2198.	Summary of remaining write-ins for Line 21 from overflow page				
2199.	TOTALS (Lines 2101 through 2103 plus 2198) (Line 21 above)	1,130,808		1,130,808	1,045,059
2701	X X X	X X X		
2702	X X X	X X X		
2703	X X X	X X X		
2798.	Summary of remaining write-ins for Line 27 from overflow page	X X X	X X X		
2799.	TOTALS (Lines 2701 through 2703 plus 2798) (Line 27 above)	X X X	X X X		

STATEMENT OF REVENUE AND EXPENSES

		Current Year To Date		Prior Year To Date
		1	2	3
		Uncovered	Total	Total
1.	Member Months	X X X	349,227	331,331
2.	Net premium income (including \$..... non-health premium income)	X X X	49,832,530	48,253,356
3.	Change in unearned premium reserves and reserves for rate credits	X X X		
4.	Fee-for-service (net of \$..... medical expenses)	X X X		
5.	Risk revenue	X X X		
6.	Aggregate write-ins for other health care related revenues	X X X	6,828,902	3,691,276
7.	Aggregate write-ins for other non-health revenues	X X X		
8.	Total revenues (Lines 2 to 7)	X X X	56,661,432	51,944,632
Hospital and Medical:				
9.	Hospital/medical benefits		39,303,587	36,933,488
10.	Other professional services			
11.	Outside referrals			
12.	Emergency room and out-of-area			
13.	Prescription drugs		11,023,427	10,154,733
14.	Aggregate write-ins for other hospital and medical		136,940	109,060
15.	Incentive pool, withhold adjustments and bonus amounts		597,306	193,938
16.	Subtotal (Lines 9 to 15)		51,061,260	47,391,219
Less:				
17.	Net reinsurance recoveries			
18.	Total hospital and medical (Lines 16 minus 17)		51,061,260	47,391,219
19.	Non-health claims			
20.	Claims adjustment expenses, including \$.....1,007,215 cost containment expenses		1,208,179	753,101
21.	General administrative expenses		4,814,837	4,973,057
22.	Increase in reserves for life and accident and health contracts (including \$..... increase in reserves for life only)			
23.	Total underwriting deductions (Lines 18 through 22)		57,084,276	53,117,377
24.	Net underwriting gain or (loss) (Lines 8 minus 23)	X X X	(422,844)	(1,172,745)
25.	Net investment income earned		112,625	108,131
26.	Net realized capital gains (losses)		(15,111)	(6)
27.	Net investment gains or (losses) (Lines 25 plus 26)		97,514	108,125
28.	Net gain or (loss) from agents' or premium balances charged off [(amount recovered \$.....) (amount charged off \$.....)]			
29.	Aggregate write-ins for other income or expenses			
30.	Net income or (loss) before federal income taxes (Lines 24 plus 27 plus 28 plus 29)	X X X	(325,330)	(1,064,620)
31.	Federal and foreign income taxes incurred	X X X		
32.	Net income (loss) (Lines 30 minus 31)	X X X	(325,330)	(1,064,620)
DETAILS OF WRITE-INS				
0601.	HGH administrative fee receipts	X X X	3,968,932	3,691,276
0602.	Quality Assurance Assessment Program revenue and assessments	X X X	2,859,970	
0603	X X X		
0698.	Summary of remaining write-ins for Line 6 from overflow page	X X X		
0699.	TOTALS (Lines 0601 through 0603 plus 0698) (Line 6 above)	X X X	6,828,902	3,691,276
0701	X X X		
0702	X X X		
0703	X X X		
0798.	Summary of remaining write-ins for Line 7 from overflow page	X X X		
0799.	TOTALS (Lines 0701 through 0703 plus 0798) (Line 7 above)	X X X		
1401.	Other Medical		136,940	109,060
1402			
1403			
1498.	Summary of remaining write-ins for Line 14 from overflow page			
1499.	TOTALS (Lines 1401 through 1403 plus 1498) (Line 14 above)		136,940	109,060
2901			
2902			
2903			
2998.	Summary of remaining write-ins for Line 29 from overflow page			
2999.	TOTALS (Lines 2901 through 2903 plus 2998) (Line 29 above)			

STATEMENT OF REVENUE AND EXPENSES (Continued)

		1	2
		Current Year To Date	Prior Year
CAPITAL & SURPLUS ACCOUNT			
33.	Capital and surplus prior reporting year	6,781,254	1,000,000
GAINS AND LOSSES TO CAPITAL & SURPLUS			
34.	Net income or (loss) from Line 32	(325,330)	(1,595,362)
35.	Change in valuation basis of aggregate policy and claim reserves		
36.	Net unrealized capital gains and losses	(549,684)	105,449
37.	Change in net unrealized foreign exchange capital gain or (loss)		
38.	Change in net deferred income tax		
39.	Change in nonadmitted assets		
40.	Change in unauthorized reinsurance		
41.	Change in treasury stock		
42.	Change in surplus notes		
43.	Cumulative effect of changes in accounting principles		
44.	Capital Changes:		
44.1	Paid in		
44.2	Transferred from surplus (Stock Dividend)		
44.3	Transferred to surplus		
45.	Surplus adjustments:		
45.1	Paid in	1,000,000	7,271,167
45.2	Transferred to capital (Stock Dividend)		
45.3	Transferred from capital		
46.	Dividends to stockholders		
47.	Aggregate write-ins for gains or (losses) in surplus		
48.	Net change in capital and surplus (Lines 34 to 47)	124,986	5,781,254
49.	Capital and surplus end of reporting period (Line 33 plus 48)	6,906,240	6,781,254
DETAILS OF WRITE-INS			
4701		
4702		
4703		
4798.	Summary of remaining write-ins for Line 47 from overflow page		
4799.	TOTALS (Lines 4701 through 4703 plus 4798) (Line 47 above)		

CASH FLOW

		1 Current Year To Date	2 Prior Year Ended December 31
Cash from Operations			
1.	Premiums collected net of reinsurance	49,261,333	94,962,264
2.	Net investment income	111,501	182,974
3.	Miscellaneous income	7,000,388	12,052,272
4.	Total (Lines 1 through 3)	56,373,222	107,197,510
5.	Benefit and loss related payments	51,829,405	93,584,751
6.	Net transfers to Separate, Segregated Accounts and Protected Cell Accounts		
7.	Commissions, expenses paid and aggregate write-ins for deductions	6,033,520	11,571,492
8.	Dividends paid to policyholders		
9.	Federal and foreign income taxes paid (recovered) \$..... net of tax on capital gains (losses)		
10.	Total (Lines 5 through 9)	57,862,925	105,156,243
11.	Net cash from operations (Line 4 minus Line 10)	(1,489,703)	2,041,267
Cash from Investments			
12.	Proceeds from investments sold, matured or repaid:		
12.1	Bonds		
12.2	Stocks	230,000	1,441
12.3	Mortgage loans		
12.4	Real estate		
12.5	Other invested assets		
12.6	Net gains or (losses) on cash, cash equivalents and short-term investments		
12.7	Miscellaneous proceeds		
12.8	Total investment proceeds (Lines 12.1 to 12.7)	230,000	1,441
13.	Cost of investments acquired (long-term only):		
13.1	Bonds		
13.2	Stocks	318,062	4,460,957
13.3	Mortgage loans		
13.4	Real estate		
13.5	Other invested assets	242,000	1,500,000
13.6	Miscellaneous applications		
13.7	Total investments acquired (Lines 13.1 to 13.6)	560,062	5,960,957
14.	Net increase (or decrease) in policy loans and premium notes		
15.	Net cash from investments (Line 12.8 minus Lines 13.7 and 14)	(330,062)	(5,959,516)
Cash from Financing and Miscellaneous Sources			
16.	Cash provided (applied):		
16.1	Surplus notes, capital notes		
16.2	Capital and paid in surplus, less treasury stock	1,000,000	8,324,360
16.3	Borrowed funds		
16.4	Net deposits on deposit-type contracts and other insurance liabilities		
16.5	Dividends to stockholders		
16.6	Other cash provided (applied)	(226,388)	1,116,424
17.	Net cash from financing and miscellaneous sources (Lines 16.1 to 16.4 minus Line 16.5 plus Line 16.6)	773,612	9,440,784
RECONCILIATION OF CASH AND SHORT-TERM INVESTMENTS			
18.	Net change in cash and short-term investments (Lines 11 plus 15 plus 17)	(1,046,153)	5,522,535
19.	Cash and short-term investments:		
19.1	Beginning of year	6,522,535	1,000,000
19.2	End of period (Line 18 plus Line 19.1)	5,476,382	6,522,535

Supplemental Disclosures of Cash Flow Information for Non-Cash Transactions:

Description		Amount 1	Amount 2
20.0001		

EXHIBIT OF PREMIUMS, ENROLLMENT AND UTILIZATION

	1	Comprehensive (Hospital & Medical)		4	5	6	7	8	9	10	11	12	13
		2	3										
	Total	Individual	Group	Medicare Supplement	Vision Only	Dental Only	Federal Employees Health Benefit Plan	Title XVIII Medicare	Title XIX Medicaid	Stop Loss	Disability Income	Long-Term Care	Other
Total Members at end of:													
1. Prior Year	57,275								57,275				
2. First Quarter	57,841								57,841				
3. Second Quarter	59,216								59,216				
4. Third Quarter													
5. Current Year													
6. Current Year Member Months	349,227								349,227				
Total Member Ambulatory Encounters for Period:													
7. Physician	62,647								62,647				
8. Non-Physician	66,489								66,489				
9. Total	129,136								129,136				
10. Hospital Patient Days Incurred	11,933								11,933				
11. Number of Inpatient Admissions	2,905								2,905				
12. Health Premiums Written	49,861,936								49,861,936				
13. Life Premiums Direct													
14. Property/Casualty Premiums Written													
15. Health Premiums Earned	49,861,936								49,861,936				
16. Property/Casualty Premiums Earned													
17. Amount Paid for Provision of Health Care Services ...	51,746,145								51,746,145				
18. Amount Incurred for Provision of Health Care Services	51,061,260								51,061,260				

CLAIMS UNPAID AND INCENTIVE POOL, WITHHOLD AND BONUS (Reported and Unreported)

Aging Analysis of Unpaid Claims						
1	2	3	4	5	6	7
Account	1 - 30 Days	31 - 60 Days	61 - 90 Days	91 - 120 days	Over 120 Days	Total
0199999 Individually Listed Claims Unpaid						
0299999 Aggregate Accounts Not Individually Listed - Uncovered						
0399999 Aggregate Accounts Not Individually Listed - Covered	896,999	95,935	41,424	2,977	6,089	1,043,424
0499999 Subtotals	896,999	95,935	41,424	2,977	6,089	1,043,424
0599999 Unreported claims and other claim reserves						1,550,101
0699999 Total Amounts Withheld						450,427
0799999 Total Claims Unpaid						3,043,952
0899999 Accrued Medical Incentive Pool And Bonus Amounts						532,816

UNDERWRITING AND INVESTMENT EXHIBIT

ANALYSIS OF CLAIMS UNPAID-PRIOR YEAR-NET OF REINSURANCE

Line of Business		Claims Paid Year to Date		Liability End of Current Quarter		5 Claims Incurred in Prior Years (Columns 1+3)	6 Estimated Claim Reserve and Claim Liability Dec.31 of Prior Year
		1	2	3	4		
		On Claims Incurred Prior to January 1 of Current Year	On Claims Incurred During the Year	On Claims Unpaid Dec.31 of Prior Year	On Claims Incurred During the Year		
1.	Comprehensive (hospital & medical)
2.	Medicare Supplement
3.	Dental only
4.	Vision only
5.	Federal Employees Health Benefits Plan
6.	Title XVIII - Medicare
7.	Title XIX - Medicaid	3,151,770	48,038,283	(43,691)	3,087,643	3,108,079	3,567,590
8.	Other health
9.	Health subtotal (Lines 1 to 8)	3,151,770	48,038,283	(43,691)	3,087,643	3,108,079	3,567,590
10.	Other non-health
11.	Medical incentive pools, and bonus amounts	505,576	50,516	(50,813)	91,971	454,763	202,404
12.	TOTALS	3,657,346	48,088,799	(94,504)	3,179,614	3,562,842	3,769,994

Notes to Financial Statement

1. Significant Accounting Policies

A. Basis of Presentation

The accompanying financial statements of HealthPlus Partners, Inc. (the Company) have been prepared in conformity with the 2004 NAIC Annual Statement Instructions and the NAIC Accounting Practices and Procedures Manual effective January 1, 2001, to the extent that the accounting practices, procedures, and reporting standards are not modified by the Michigan Insurance Code or the 2003 Forms and Instructions for Required Filings in Michigan.

B. Management Estimates

The preparation of financial statements in conformity with Statutory Accounting Principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities. It also requires disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the period. Actual results could differ from those estimates.

C. Accounting Policy

Premium revenue is recognized in the month that members are entitled to health care services. The liability for incurred medical and hospital claims is accrued in the period during which the services are provided and includes estimates of services performed, which have not been reported to the Company.

In addition, the company uses the following accounting policies:

- 1) Short Term Investments are stated at amortized cost.
- 2) The Company has no long-term bonds.
- 3) Common Stocks are reported at market value.
- 4) The Company has no Preferred Stocks to report.
- 5) The Company has no mortgage loans to report.
- 6) The Company has no Loan Backed Securities.
- 7) The Company carries its investment in HGH, Inc. at audited GAAP equity.
- 8) The Company has no ownership interests in joint ventures or limited liability companies.
- 9) The Company has no derivatives to report.
- 10) The Company has not calculated any premium deficiency reserves.
- 11) Unpaid claims include amounts determined from individual case estimates and amounts based on past experiences, for losses incurred but not reported. Such liabilities are necessarily based on assumptions and estimates and while management believes the amount is adequate, the ultimate liability may be in excess of or less than the amount provided. The methods for making such estimates and for establishing the resulting liability are continually reviewed and any adjustments are reflected in the period determined.
- 12) The Company has not modified its capitalization policy from the prior period.

2. Accounting Changes and Corrections of Errors

A. Accounting changes and corrections of errors.

The Company did not discover any material errors or make any material changes in accounting principles in the Quarter Ended June 30, 2004.

B. Cumulative effect of changes in accounting principles as a result of the initial implementation of Codification.

The Company began operations on January 1, 2003, and therefore did not realize any cumulative effect of the implementation of the NAIC Accounting Practices and Procedures Manual effective January 1, 2001 (Codification).

Notes to Financial Statement

3. Business Combinations and Goodwill

None.

4. Discontinued Operations

None.

5. Investments – Mortgage Loans, Debt Restructuring, Reverse Mortgages, Loan-Backed Securities, Repurchase Agreements, Real Estate

None.

6. Joint Ventures, Partnerships and Limited Liability Companies

None.

7. Investment Income

The Company does not exclude any investment income due and accrued.

8. Derivative Instruments

None.

9. Income Taxes

The Company has applied for exemption from Federal income tax under Internal Revenue Code Section 501(c)(4).

10. Information Concerning Parent, Subsidiaries and Affiliates

HealthPlus Partners, Inc. is a wholly owned subsidiary of HealthPlus of Michigan Inc. The Company began operations January 1, 2003.

The Company is a part owner of a non-profit corporation, HGH, Inc., with Hurley Medical Center and Genesys Regional Medical Center for the purpose of providing services to Medicaid members in Genesee, Lapeer and Shiawassee Counties. The Company has negotiated reimbursement for its administrative services, excluding claims processing services, to the members of HGH. These reimbursements amounted to approximately \$4,000,000 as of the Quarter Ended June 30, 2004 and are reflected as other health care related revenue on the Statement of Revenue and Expenses.

HealthPlus Partners, Inc. has also entered into agreements with its parent, HealthPlus of Michigan, Inc. for administrative services, and HealthPlus of Michigan, Inc.'s subsidiary HealthPlus Options, Inc. for claims processing services for both HGH, Inc. and non-HGH, Inc. members. These services amounted to approximately \$5,400,000 and \$592,000 respectively as of the Quarter Ended June 30, 2004.

Premium revenues for HGH Medicaid members are collected by HealthPlus Partners, Inc. from the Michigan Department of Community Health. HealthPlus Partners pays HealthPlus Options for claims processing services, retains its fee for providing the other administrative services, and reimburses providers for services to HGH Medicaid members as directed by HGH, Inc. HealthPlus Partners, Inc. then transfers the remainder of the premium to HGH, Inc.

In the event that HGH, Inc. is unable to arrange to provide services to the Medicaid membership under the sub-contract, the Company would be responsible for the provision and payment of such services so long as the contract between the Michigan Department of Community Health and the Company remains in effect.

Notes to Financial Statement

The investment in HGH is accounted for under the GAAP equity method, and is calculated based upon a 33.33% interest in the net income generated through business conducted with Hurley Medical Center and Genesys Regional Medical Center and a 100% interest in the remaining income. The Company has recorded approximately (\$563,000) as its share of the operating loss of HGH, Inc. as of the Quarter Ended June 30, 2004.

11. Debt

None.

12. Retirement Plan

None.

13. Capital and Surplus, Shareholders’ Dividend Restrictions and Quasi-Reorganizations

The Company has no Shareholder’s Dividend Restrictions or Quasi-Reorganizations to report.

The portion of unassigned funds (surplus) represented or reduced by each item below is as follows:

- a. unrealized gains and losses: (\$549,684)
- b. nonadmitted asset values: \$0

Unrealized gains and losses consist of the following:

Unrealized gains/(losses) on stocks	\$ 13,460
Unrealized gain/(loss) on HGH, Inc.	<u>(563,144)</u>
	\$ <u>(549,684)</u>

14. Contingencies

In the normal course of business, HealthPlus Partners, Inc. is a party to certain legal matters. Management is of the opinion that resolution of these matters will not have a material effect on the Company’s financial position or results of operations.

15. Leases

None.

16. Financial Instruments with Off-Balance Sheet Risk and Financial Instruments with Concentrations of Credit Risk

None.

17. Sale, Transfer and Servicing of Financial Assets and Extinguishments of Liabilities

None.

18. Gain or Loss to the Reporting Entity from Uninsured A&H Plans and the Uninsured Portion of Partially Insured Plans

None.

19. Direct Premium Written/Produced by Managing General Agents/Third Party Administrators

None.

20. September 11 Events

None

Notes to Financial Statement

21. Other Items

The Company has no extraordinary items or other disclosures to report.

22. Events Subsequent

There were no events subsequent to the close of the books or accounts for this statement which may have a material effect on the financial condition of the Company.

23. Reinsurance

A. Ceded Reinsurance Report

Section 1 – General Interrogatories

- (1) Are any of the reinsurers, listed in Schedule S as non-affiliated, owned in excess of 10% or controlled, either directly or indirectly, by the company or by any representative, officer, trustee, or director of the Company?
Yes () No (x)

- (2) Have any policies issued by the company been reinsured with a company chartered in a country other than the United States (excluding U.S. Branches of such companies) that is owned in excess of 10% or controlled directly or indirectly by an insured, a beneficiary, a creditor or an insured or any other person not primarily engaged in the insurance business?
Yes () No (x)

Section 2 – Ceded Reinsurance Report – Part A

- (1) Does the company have any reinsurance agreements in effect under which the reinsurer may unilaterally cancel any reinsurance for reasons other than for nonpayment of premium or other similar credit?
Yes (x) No ()
- a. If yes, what is the estimated amount of the aggregate reduction in surplus of a unilateral cancellation by the reinsurer as of the date of this statement, for those agreements in which cancellation results in a net obligation of the reporting entity to the reinsurer, and for which such obligation is not presently accrued? Where necessary, the reporting entity may consider the current or anticipated experience of the business reinsured in making this estimate.
\$ 0.
- b. What is the total amount of reinsurance credits taken, whether as an asset or as a reduction of liability for these agreements in this statement?
\$ 0.
- (3) Does the reporting entity have any reinsurance agreements in effect such that the amount of losses paid or accrued through the statement date may result in a payment to the reinsurer of amounts that, in aggregate and allowing for offset of mutual credits from other reinsurance agreements with the same reinsurer, exceed the total direct premium collected under the reinsured policies?
Yes () No (x)

Notes to Financial Statement

Section 3 – Ceded Reinsurance – Part B

- (1) What is the estimated amount of the aggregate reduction in surplus, (for agreements other than those under which the reinsurer may unilaterally cancel for reasons other than for nonpayment of premium or other similar credits that are reflected in section 2 above) of termination of ALL reinsurance agreements, by either party, as of the date of this statement? Where necessary, the company may consider the current or anticipated experience of the business reinsured in making this estimate.

\$ 0.
- (2) Have any new agreements been executed or existing agreements amended, since January 1 of the year of this statement, to include policies or contracts that were in force or which had existing reserves established by the company as of the effective date of the agreement?

Yes () No (x)

B. Uncollectible Reinsurance

None.

C. Commutation of Ceded Reinsurance

None.

24. Retrospectively Rated Contracts and Contracts Subject to Redetermination

None.

25. Change in Incurred Claims and Claim Adjustment Expenses

Reserves for incurred claims attributable to insured events of prior years has been decreased by \$207,145 as of the Quarter Ended June 30, 2004 as a result of re-estimation of unpaid claims. This decrease is the result of ongoing analysis and original estimates are increased or decreased as additional information becomes known.

26. Intercompany Pooling Arrangements

None.

27. Structured Settlements

Not applicable.

28. Health Care Receivables

(a) Pharmaceutical Rebate Receivables

None.

Notes to Financial Statement

(b) Risk Sharing Receivables

Calendar Year	Evaluation Period Year Ending	Risk Sharing Receivable as Estimated And Reported in the Prior Year	Risk Sharing Receivable as Estimated And Reported in the Current Year	Risk Sharing Receivable Invoiced	Risk Sharing Receivable Not Invoiced	Actual Risk Sharing Amounts Collected in Year Invoiced	Actual Risk Sharing Amounts Collected First Year Subsequent	Actual Risk Sharing Amounts Collected Second Year Subsequent	Actual Risk Sharing Amounts Collected – All Other
2003	2003	350,108							
	2004		141,550						

29. Participating Policies

None.

30. Premium Deficiency Reserves

None.

31. Salvage and Subrogation

The Company does not specifically identify anticipated salvage and subrogation amounts when calculating loss reserves.

GENERAL INTERROGATORIES
(Responses to these interrogatories should be based on changes that have occurred since the prior year end unless otherwise noted)
PART 1 - COMMON INTERROGATORIES
GENERAL

- 1.1 Did the reporting entity implement any significant accounting policy changes which would require disclosure in the Notes to the Financial Statements?

Yes[] No[X]
- 1.2 If yes, explain:
- 2.1 Did the reporting entity experience any material transactions requiring the filing of Disclosure of Material Transactions with the State of Domicile, as required by the Model Act?

Yes[] No[X]
- 2.2 If yes, has the report been filed with the domiciliary state?

Yes[] No[] N/A[X]
- 3.1 Has any change been made during the year of this statement in the charter, by-laws, articles of incorporation, or deed of settlement of the reporting entity?

Yes[X] No[]
- 3.2 If yes, date of change:
If not previously filed, furnish herewith a certified copy of the instrument as amended.

01/16/2004
4. Have there been any substantial changes in the organizational chart since the prior quarter end?
If yes, complete the Schedule Y - Part 1 - organization chart

Yes[] No[X]
- 5.1 Has the reporting entity been a party to a merger or consolidation during the period covered by this statement?

Yes[] No[X]
- 5.2 If yes, provide the name of entity, NAIC Company Code, and state of domicile (use two letter state abbreviation) for any entity that has ceased to exist as a result of the merger or consolidation.

1	2	3
Name of Entity	NAIC Company Code	State of Domicile
.....

6. If the reporting entity is subject to a management agreement, including third-party administrator(s), managing general agent(s), attorney-in-fact, or similar agreement, have there been any significant changes regarding the terms of the agreement or principals involved?
If yes, attach an explanation.

Yes[] No[X] N/A[]
- 7.1 State as of what date the latest financial examination of the reporting entity was made or is being made.

12/31/2003
- 7.2 State the as of date that the latest financial examination report became available from either the state of domicile or the reporting entity. This date should be the date of the examined balance sheet and not the date the report was completed or released.
- 7.3 State as of what date the latest financial examination report became available to other states or the public from either the state of domicile or the reporting entity. This is the release date or completion date of the examination report and not the date of the examination (balance sheet date).
- 7.4 By what department or departments?
Department of Consumer and Industry Services, Office of Financial & Insurance Services, Division of Insurance
- 8.1 Has this reporting entity had any Certificates of Authority, licenses or registrations (including corporate registration, if applicable) suspended or revoked by any governmental entity during the reporting period? (You need not report an action, either formal or informal, if a confidentiality clause is part of the agreement.)

Yes[] No[X]
- 8.2 If yes, give full information
- 9.1 Is the company a subsidiary of a bank holding company regulated by the Federal Reserve Board?

Yes[] No[X]
- 9.2 If response to 9.1 is yes, please identify the name of the bank holding company.
- 9.3 Is the company affiliated with one or more banks, thrifts or securities firms?

Yes[] No[X]
- 9.4 If response to 9.3 is yes, please provide below the names and location (city and state of the main office) of any affiliates regulated by a federal regulatory services agency [i.e. the Federal Reserve Board (FRB), the Office of the Comptroller of the Currency (OCC), the Office of Thrift Supervision (OTS), the Federal Deposit Insurance Corporation (FDIC) and the Securities Exchange Commission (SEC)] and identify the affiliate's primary federal regulator.

1	2	3	4	5	6	7
Affiliate Name	Location (City, State)	FRB	OCC	OTS	FDIC	SEC
..... Yes[] No[X]	. Yes[] No[X]	. Yes[] No[X]	. Yes[] No[X]	. Yes[] No[X]

INVESTMENT

- 10.1 Has there been any changes in the reporting entity's own preferred or common stock?

Yes[] No[X]
- 10.2 If yes, explain:
- 11.1 Were any of the stocks, bonds, or other assets of the reporting entity loaned, placed under option agreement, or otherwise made available for use by another person? (Exclude securities under securities lending agreements.)

Yes[] No[X]
- 11.2 If yes, give full and complete information relating thereto:
12. Amount of real estate and mortgages held in other invested assets in Schedule BA:

\$.....
13. Amount of real estate and mortgages held in short-term investments:

\$.....
- 14.1 Does the reporting entity have any investments in parent, subsidiaries and affiliates?

Yes[X] No[]
- 14.2 If yes, please complete the following:

GENERAL INTERROGATORIES (Continued)

		1	2
		Prior Year-End Statement Value	Current Quarter Statement Value
14.21	Bonds		
14.22	Preferred Stock		
14.23	Common Stock		
14.24	Short-Term Investments		
14.25	Mortgages, Loans or Real Estate		
14.26	All Other	37,140	(284,004)
14.27	Total Investment in Parent, Subsidiaries and Affiliates (Subtotal Lines 14.21 to 14.26)	37,140	(284,004)
14.28	Total Investment in Parent included in Lines 14.21 to 14.26 above		
14.29	Receivable from Parent not included in Lines 14.21 to 14.26 above		107,346

- 15.1 Has the reporting entity entered into any hedging transactions reported on Schedule DB?

Yes[] No[X]
- 15.2 If yes, has a comprehensive description of the hedging program been made available to the domiciliary state?
If no, attach a description with this statement.

Yes[] No[] N/A[X]
16. Excluding items in Schedule E, real estate, mortgage loans and investments held physically in the reporting entity's offices, vaults or safety deposit boxes, were all stocks, bonds and other securities, owned throughout the current year held pursuant to a custodial agreement with a qualified bank or trust company in accordance with Part 1 - General, Section IV, H-Custodial or Safekeeping Agreements of the NAIC Financial Condition Examiners Handbook?

Yes[X] No[]
- 16.1 For all agreements that comply with the requirements of the NAIC Financial Condition Examiners Handbook, complete the following:

1	2
Name of Custodian(s)	Custodian Address
Bank One Trust Company, N.A.	611 Woodward Avenue, Detroit, MI 48226

- 16.2 For all agreements that do not comply with the requirements of the NAIC Financial Condition Examiners Handbook, provide the name, location and a complete explanation:

1	2	3
Name(s)	Location(s)	Complete Explanation(s)
.....

- 16.3 Have there been any changes, including name changes, in the custodian(s) identified in 16.1 during the current quarter?

Yes[X] No[]
- 16.4 If yes, give full and complete information relating thereto:

1	2	3	4
Old Custodian	New Custodian	Date of Change	Reason
Citizens Bank Wealth Management	04/09/2004 ..	Closed account

- 16.5 Identify all investment advisors, brokers/dealers or individuals acting on behalf of broker/dealers that have access to the investment accounts, handle securities and have authority to make investments on behalf of the reporting entity:

1	2	3
Central Registration Depository	Name(s)	Address
.....	Bank One Trust Company, N.A.	611 Woodward Avenue, Detroit, MI 48226

SCHEDULE A - VERIFICATION

		1	2
		Year To Date	Prior Year Ended December 31
1.	Book/adjusted carrying value, December 31 of prior year		
2.	Increase (decrease) by adjustment		
3.	Cost of acquired		
4.	Cost of additions to and permanent improvements		
5.	Total profit (loss) on sales		
6.	Increase (decrease) by foreign exchange adjustment		
7.	Amount received on sales		
8.	Book/adjusted carrying value at end of current period		
9.	Total valuation allowance		
10.	Subtotal (Lines 8 plus 9)		
11.	Total nonadmitted amounts		
12.	Statement value, current period (Page 2, real estate lines, Net Admitted Assets column)		

NONE

SCHEDULE B - VERIFICATION

		1	2
		Year To Date	Prior Year Ended December 31
1.	Book value/recorded investment excluding accrued interest on mortgages owned, December 31 of prior year		
2.	Amount loaned during period:		
2.1	Actual cost at time of acquisitions		
2.2	Additional investment made after acquisitions		
3.	Accrual of discount and mortgage interest points and commitment fees		
4.	Increase (decrease) by adjustment		
5.	Total profit (loss) on sale		
6.	Amounts paid on account or in full during the period		
7.	Amortization of premium		
8.	Increase (decrease) by foreign exchange adjustment		
9.	Book value/recorded investment excluding accrued interest on mortgages owned at end of current period		
10.	Total valuation allowance		
11.	Subtotal (Lines 9 plus 10)		
12.	Total nonadmitted amounts		
13.	Statement value of mortgages owned at end of current period (Page 2, mortgage lines, Net Admitted Assets column)		

NONE

SCHEDULE BA - VERIFICATION
Other Invested Assets Included in Schedule BA

		1	2
Description		Year To Date	Prior Year Ended December 31
1.	Book/adjusted carrying value of long-term invested assets owned, December 31 of prior year	37,140	
2.	Cost of acquisitions during period:		
2.1	Actual cost at time of acquisitions		(1,053,193)
2.2	Additional investment made after acquisitions	242,000	1,500,000
3.	Accrual of discount		
4.	Increase (decrease) by adjustment	(563,144)	(409,667)
5.	Total profit (loss) on sale		
6.	Amounts paid on account or in full during the period		
7.	Amortization of premium		
8.	Increase (decrease) by foreign exchange adjustment		
9.	Book/adjusted carrying value of long-term invested assets at end of current period	(284,004)	37,140
10.	Total valuation allowance		
11.	Subtotal (Lines 9 plus 10)	(284,004)	37,140
12.	Total nonadmitted amounts		
13.	Statement value of long-term invested assets at end of current period (Page 2, Line 7, Column 3)	(284,004)	37,140

SCHEDULE D - VERIFICATION

		1	2
		Year To Date	Prior Year Ended December 31
1.	Book/adjusted carrying value of bonds and stocks, December 31 of prior year	4,974,626	
2.	Cost of bonds and stocks acquired	318,062	4,460,957
3.	Accrual of discount		
4.	Increase (decrease) by adjustment	13,460	515,116
5.	Increase (decrease) by foreign exchange adjustment		
6.	Total profit (loss) on disposal	(15,111)	(6)
7.	Consideration for bonds and stocks disposed of	230,000	1,441
8.	Amortization of premium		
9.	Book/adjusted carrying value, current period	5,061,037	4,974,626
10.	Total valuation allowance		
11.	Subtotal (Lines 9 plus 10)	5,061,037	4,974,626
12.	Total nonadmitted amounts		
13.	Statement value	5,061,037	4,974,626

SCHEDULE D - PART 1B
Showing the Acquisitions, Dispositions and Non-Trading Activity
During the Current Quarter for all Bonds and Preferred Stock by Rating Class

	1	2	3	4	5	6	7	8
	Book/Adjusted Carrying Value Beginning of Current Quarter	Acquisitions During Current Quarter	Dispositions During Current Quarter	Non-Trading Activity During Current Quarter	Book/Adjusted Carrying Value End of First Quarter	Book/Adjusted Carrying Value End of Second Quarter	Book/Adjusted Carrying Value End of Third Quarter	Book/Adjusted Carrying Value December 31 Prior Year
BONDS								
1. Class 1	5,640,992	30,244,023	28,869,116		5,640,992	7,015,899		8,131,770
2. Class 2								
3. Class 3								
4. Class 4								
5. Class 5								
6. Class 6								
7. TOTAL Bonds	5,640,992	30,244,023	28,869,116		5,640,992	7,015,899		8,131,770
PREFERRED STOCK								
8. Class 1								
9. Class 2								
10. Class 3								
11. Class 4								
12. Class 5								
13. Class 6								
14. TOTAL Preferred Stock								
15. TOTAL Bonds & Preferred Stock	5,640,992	30,244,023	28,869,116		5,640,992	7,015,899		8,131,770

SCHEDULE DA - PART 1
Short - Term Investments Owned End of Current Quarter

	1 Book/Adjusted Carrying Value	2 Par Value	3 Actual Cost	4 Interest Collected Year To Date	5 Paid for Accrued Interest Year To Date
8299999. TOTALS	7,015,899	X X X	7,015,899	41,396

SCHEDULE DA - PART 2 - Verification
Short-Term Investments Owned

		1 Year To Date	2 Prior Year Ended December 31
1.	Book/adjusted carrying value, December 31 of prior year	8,131,770	1,000,000
2.	Cost of short-term investments acquired	59,087,359	7,131,770
3.	Increase (decrease) by adjustment		
4.	Increase (decrease) by foreign exchange adjustment		
5.	Total profit (loss) on disposal of short-term investments		
6.	Consideration received on disposal of short-term investments	60,203,230	
7.	Book/adjusted carrying value, current period	7,015,899	8,131,770
8.	Total valuation allowance		
9.	Subtotals (Lines 7 plus 8)	7,015,899	8,131,770
10.	Total nonadmitted amounts		
11.	Statement value (Lines 9 minus 10)	7,015,899	8,131,770
12.	Income collected during period	41,396	43,714
13.	Income earned during period	42,436	51,545

15 Schedule DB Part F Section 1 - NONE

16 Schedule DB Part F Section 2 - NONE

SCHEDULE S - CEDED REINSURANCE
Showing all new reinsurers-Current Year to Date

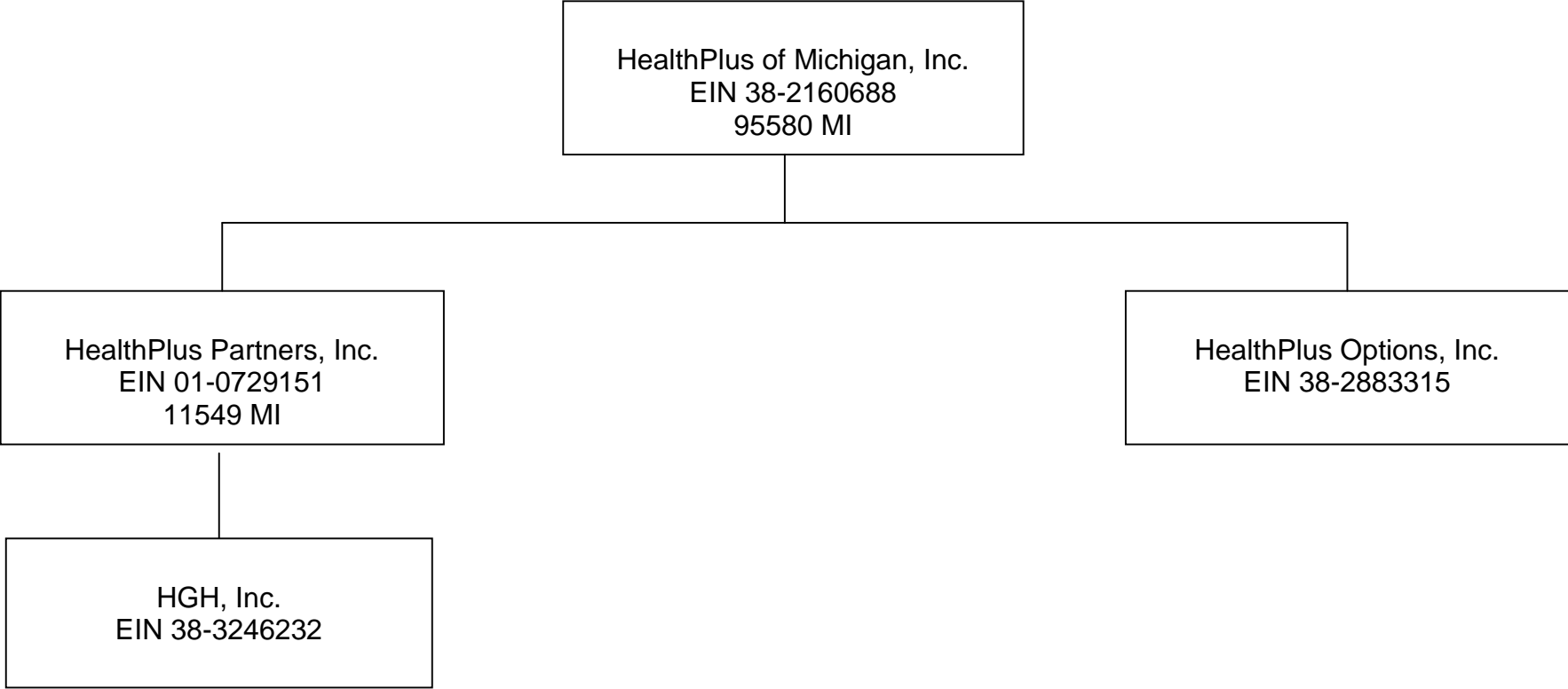
1 NAIC Company Code	2 Federal ID Number	3 Name of Reinsurer	4 Location	5 Is Insurer Authorized? (Yes or No)
Accident and health - non-affiliates				
66346	58-0828824	Munich American Reassur Co	Atlanta GA Yes[X] No[]

SCHEDULE T - PREMIUMS AND OTHER CONSIDERATIONS
Allocated by States and Territories

		1 Guaranty Fund (Yes or No)	2 Is Insurer Licensed (Yes or No)	Direct Business Only Year-to-Date					
				3 Accident and Health Premiums	4 Medicare Title XVIII	5 Medicaid Title XIX	6 Federal Employees Health Benefits Program Premiums	7 Life and Annuity Premiums and Deposit-Type Contract Funds	8 Property/ Casualty Premiums
	State, Etc.								
1.	Alabama (AL)	No	No						
2.	Alaska (AK)	No	No						
3.	Arizona (AZ)	No	No						
4.	Arkansas (AR)	No	No						
5.	California (CA)	No	No						
6.	Colorado (CO)	No	No						
7.	Connecticut (CT)	No	No						
8.	Delaware (DE)	No	No						
9.	District of Columbia (DC)	No	No						
10.	Florida (FL)	No	No						
11.	Georgia (GA)	No	No						
12.	Hawaii (HI)	No	No						
13.	Idaho (ID)	No	No						
14.	Illinois (IL)	No	No						
15.	Indiana (IN)	No	No						
16.	Iowa (IA)	No	No						
17.	Kansas (KS)	No	No						
18.	Kentucky (KY)	No	No						
19.	Louisiana (LA)	No	No						
20.	Maine (ME)	No	No						
21.	Maryland (MD)	No	No						
22.	Massachusetts (MA)	No	No						
23.	Michigan (MI)	No	Yes			49,861,936			
24.	Minnesota (MN)	No	No						
25.	Mississippi (MS)	No	No						
26.	Missouri (MO)	No	No						
27.	Montana (MT)	No	No						
28.	Nebraska (NE)	No	No						
29.	Nevada (NV)	No	No						
30.	New Hampshire (NH)	No	No						
31.	New Jersey (NJ)	No	No						
32.	New Mexico (NM)	No	No						
33.	New York (NY)	No	No						
34.	North Carolina (NC)	No	No						
35.	North Dakota (ND)	No	No						
36.	Ohio (OH)	No	No						
37.	Oklahoma (OK)	No	No						
38.	Oregon (OR)	No	No						
39.	Pennsylvania (PA)	No	No						
40.	Rhode Island (RI)	No	No						
41.	South Carolina (SC)	No	No						
42.	South Dakota (SD)	No	No						
43.	Tennessee (TN)	No	No						
44.	Texas (TX)	No	No						
45.	Utah (UT)	No	No						
46.	Vermont (VT)	No	No						
47.	Virginia (VA)	No	No						
48.	Washington (WA)	No	No						
49.	West Virginia (WV)	No	No						
50.	Wisconsin (WI)	No	No						
51.	Wyoming (WY)	No	No						
52.	American Samoa (AS)	No	No						
53.	Guam (GU)	No	No						
54.	Puerto Rico (PR)	No	No						
55.	U.S. Virgin Islands (VI)	No	No						
56.	Canada (CN)	No	No						
57.	Aggregate other alien (OT)	X X X	X X X						
58.	TOTAL (Direct Business)	X X X	(a).....1			49,861,936			
DETAILS OF WRITE-INS									
5701	X X X	X X X						
5702	X X X	X X X						
5703	X X X	X X X						
5798.	Summary of remaining write-ins for Line 57 from overflow page	X X X	X X X						
5799.	TOTALS (Lines 5701 through 5703 plus 5798) (Line 57 above)	X X X	X X X						

(a) Insert the number of yes responses except for Canada and Other Alien.

SCHEDULE Y - INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF A HOLDING COMPANY GROUP
PART 1 - ORGANIZATIONAL CHART



Part owner. See HealthPlus Partners, Inc. footnotes for details.

SUPPLEMENTAL EXHIBITS AND SCHEDULES INTERROGATORIES

The following supplemental reports are required to be filed as part of your statement filing. However, in the event that your company does not transact the type of business for which the special report must be filed, your response of NO to the specific interrogatory will be accepted in lieu of filing a "NONE" report and a bar code will be printed below. If the supplement is required of your company but is not being filed for whatever reason enter SEE EXPLANATION and provide an explanation following the interrogatory questions.

RESPONSES

1. Will the SVO Compliance Certification be filed with this statement?

No

Explanation:

Bar Code:

SVO Compliance Certification



OVERFLOW PAGE FOR WRITE-INS

E01 Schedule A Part 2 -NONE

E01 Schedule A Part 3 -NONE

E02 Schedule B Part 1 -NONE

E02 Schedule B Part 2 -NONE

E03 Schedule BA Part 1 -NONE

E03 Schedule BA Part 2 -NONE

SCHEDULE D - PART 3

Show All Long-Term Bonds and Stock Acquired by the Company During the Current Quarter

1	2	3	4	5	6	7	8	9	10
CUSIP Identification	Description	Foreign	Date Acquired	Name of Vendor	Number of Shares of Stock	Actual Cost	Par Value	Paid for Accrued Interest and Dividends	NAIC Designation or Market Indicator (a)
6099998 Summary Item for Bonds Bought and Sold This Quarter X X X X X X ..
6599998 Summary Item for Preferred Stock Bought and Sold This Quarter X X X X X X X X X ..
Common Stock - Mutual Funds									
68231N743	ONE GROUP BOND FUND	06/17/2004	BANK ONE3,580.090	39,039	... X X X	L
681937835	ONE GROUP EQUITY INDEX FUND	04/01/2004	BANK ONE	256.900	6,607	... X X X	L
7099999 Subtotal - Common Stock - Mutual Funds X X X ..	45,646	... X X X X X X ..
7299997 Subtotal - Common Stock - Part 3 X X X ..	45,646	... X X X X X X ..
7299998 Summary Item for Common Stock Bought and Sold This Quarter X X X X X X X X X ..
7299999 Subtotal - Common Stock X X X ..	45,646	... X X X X X X ..
7399999 Subtotal - Preferred and Common Stock X X X ..	45,646	... X X X X X X ..
7499999 Total - Bonds, Preferred and Common Stock X X X ..	45,646	... X X X X X X ..

(a) For all common stock bearing the NAIC market indicator "U" provide: the number of such issues

E05 Schedule D Part 4 - NONE

E06 Schedule DB Part A Section 1 - NONE

E06 Schedule DB Part B Section 1 - NONE

E07 Schedule DB Part C Section 1 - NONE

E07 Schedule DB Part D Section 1 - NONE

SCHEDULE E - PART 1 - CASH

Month End Depository Balances

1			2	3	4	5	Book Balance at End of Each Month			9
							During Current Quarter			
Depository			Code	Rate of Interest	Amount of Interest Received During Current Quarter	Amount of Interest Accrued at Current Statement Date	6	7	8	*
							First Month	Second Month	Third Month	
open depositories										
Bank One	Baton Rouge, LA						625,011	1,142	90,152	X X X
Bank One	Baton Rouge, LA						(1,436,165)	(1,490,521)	(1,629,669)	X X X
0199998 Deposits in depositories that do not exceed the allowable limit in any one depository (See Instructions) - open depositories ..			X X X	X X X						X X X
0199999 Totals - Open Depositories			X X X	X X X			(811,154)	(1,489,379)	(1,539,517)	X X X
0299998 Deposits in depositories that do not exceed the allowable limit in any one depository (See Instructions) - suspended depositories			X X X	X X X						X X X
0299999 Totals - Suspended Depositories			X X X	X X X						X X X
0399999 Total Cash On Deposit			X X X	X X X			(811,154)	(1,489,379)	(1,539,517)	X X X
0499999 Cash in Company's Office			X X X	X X X	X X X	X X X				X X X
0599999 Total Cash			X X X	X X X			(811,154)	(1,489,379)	(1,539,517)	X X X

INDEX TO HEALTH QUARTERLY STATEMENT

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